



White paper

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Governing for Autonomy: Framing the Challenges; Noting the Progress

Nazarbayev University Graduate School of Education

In close cooperation with the University of Pennsylvania Graduate School of Education

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Preface

On September 19, 2016 research staff of Nazarbayev University Graduate School of Education (NUGSE), in conjunction with Professors Matthew Hartley and Peter Eckel from the University of Pennsylvania's Graduate School of Education, conducted an international conference entitled "Governing for Autonomy: Framing the Challenges and Noting the Progress".

This particular topic was chosen as the theme of the Conference because Nazarbayev University Graduate School of Education in partnership with the University of Pennsylvania Graduate School of Education (USA) have been carrying out a major research project entitled "Advancing Models of Best Practice in Academic Governance and Management in Higher Education Institutions in Kazakhstan"¹. That project, led by Aida Sagintayeva (Nazarbayev University Graduate School of Education) and Matthew Hartley (University of Pennsylvania Graduate School of Education), has focused on a thorough analysis of the current governance reforms in HEIs in the Republic of Kazakhstan, involving visits to twenty-five universities in seven cities.

Governance reform is a stated priority of the State Program for Education and Science Development for 2016-2019 (SPESD), which seeks to enhance the management and monitoring of the development of higher and postgraduate education. The SPESD emphasizes the need to implement the principles of shared governance through the gradual expansion of academic freedom and administrative and financial autonomy across Kazakhstani HEIs. The Conference provided a platform for representatives of Kazakhstani universities leading the development of shared governance in their institutional settings to discuss these important issues.

The leaders of Kazakhstani higher education institutions attending the conference discussed the development and implementation of shared governance in Kazakhstani universities: the most promising approaches to HEI management and governance for the next 10-years, effective mechanisms for university management and governance, the performance and accountability of governing boards, and the implementation of autonomy in higher educational institutions of Kazakhstan.

This white paper reflects the key insights from the Conference including recommendations for further work on the development of institutional autonomy in Kazakhstani higher education system.

¹ Approved by NU Institutional Research Ethics Committee and University of Pennsylvania Institutional Review Board

Introduction

Kazakhstan is in the process of undertaking a major education reform effort. In postsecondary education, the central thrust of the reforms has involved moving from a system tightly controlled by the Ministry of Education and Science (MoES) to one in which institutions have been given increasing autonomy, especially over the academic enterprise. For example, before 2010 the MoES controlled 60% of the undergraduate curriculum. Today, institutions control 70% of the undergraduate curriculum. Of course, increased autonomy must come with increased accountability. The prior system, predicated on a system of attestation, where institutions provided paperwork demonstrating compliance with regulations and guidelines, is being replaced by other systems of quality oversight such as accreditation (both within Kazakhstan and through international accrediting agencies) and through the establishment of governing boards (boards of trustees/overseers/directors). The early form of these boards, which a majority of universities have, are advisory and tasked with providing guidance to the senior administration, especially the rector, on matters of strategy and securing financial support for the institution through fundraising. However, they do not hire and fire the rector; they have no say over the institution's budget; nor do they hold institutions accountable for performance. These functions are the responsibility of Ministry of Education and Science (MoES.) More recent legislation has established a procedure for hiring the rector at a public university, and strengthening the role of boards of overseers in the selection of candidates (The Rules on Appointment and Attestation of the Head of the Public Enterprise, as well as on approval of his candidature adopted by the Order of the Minister of National Economy #70 dated from February 02, 2015).

On Monday, September 19, 2016 a group of rectors and senior administrators from Kazakhstani higher education institutions met at Nazarbayev University Graduate School of Education to discuss the state of higher education reforms in Kazakhstan. This roundtable conference was the culmination of a key phase of the research project overseen by principal investigators, Aida Sagintayeva (Nazarbayev University Graduate School of Education) and Matthew Hartley (University of Pennsylvania Graduate School of Education). The purpose of that research has been to examine how universities and their leaders are thinking about, and responding to, reforms in higher education. That work resulted in visits to more than twenty-five universities in seven cities and interviews with more than 400 board members, rectors, vice rectors, deans, faculty, and students, as well as government officials.

Unlike conventional conferences that are structured around formal panel presentations with question and answer periods, a roundtable conference takes the form of a guided discussion. The key assumption of a roundtable is that the experts are not in the front of the room; they are the participants who bring a wealth of knowledge and expertise to the table. Together they craft the conference insights

and findings. The daylong event began with introductions and the sharing of experiences regarding reforms and the move towards greater autonomy. The afternoon sessions focused on the role of governing boards (boards of trustees and boards of overseers) and how their work is being defined and evolving. The event ended with a rich discussion about the future and recommendations for moving forward.

Perspectives on Autonomy

When asked about the nature of the reforms and the movement towards greater institutional autonomy, there was clear consensus among the participants that these reforms are important and a necessary part of Kazakhstan's development as an economically strong and vibrant country. While the MoES has played an important role in the past providing strategic direction and ensuring quality, this highly-regulated centralized approach has not and will not lead to the development of a world class system of higher education. Such progress will require innovation and a new kind of leadership that understands best practices worldwide and is able to adapt them to suit the particular circumstances of Kazakhstan's universities and has the freedom to act. It requires leaders whose job is not simply to understand the dictates of the MoES and demonstrate compliance, but who are able to understand the larger challenges facing their institutions and to think strategically. This includes being clear about the unique value proposition of each institution as it seeks to attract the best students. To do this, they must have a vision and broader understanding of possible opportunities. As one participant put it, "higher education institutions and their leaders must be able to see the 'big picture'—to be well informed about global, strategic development of our country."

A number of participants made the point that leadership of this kind requires the development of a new mindset not simply the articulation of new policies. As one explained, "Our professional mentality has changed over the past decades when we first began to talk about quality management systems in higher education and started to think about such things as mission, vision, and all the things that accompany them." A manager whose role is compliance follows the directives of the MoES. New leaders must be willing to try new things, to take risks in order to move their institutions boldly forward, and to take the responsibility for that work. In many ways, the authority that the rectors once had to comply with MoES objectives, which was near absolute on campus, is being redefined and redistributed. Some universities are ready for a different model of shared leadership and joint accountability. Others are not.

This new mindset was exemplified in the experience of Narxoz University, a Joint Stock Company. The university has gone through significant changes in the past two years, including the development of a motto that informs everyone's work: "I am a leader. We are a team. All for the student." These phrases encapsulate a culture in which individuals at all levels must take responsibility for encouraging positive change and where people need to work collaboratively. It also underscores the fact that everything the institution does should in some way serve the student and promote student learning. This is a university culture capable of spurring innovation and positive change.

Despite widespread support of the reform agenda, a few of participants did voice concerns, including that the reforms were being implemented too fast. As one rector said, “It is not a good decision to transfer autonomy to all state institutions. I have said this before. Because it will lead to corruption.” Key supporting mechanisms, including legal status, accountability schemes and governance oversight, must be in place to ensure the effective implementation of autonomy.

The consensus of the participants was that reforms need to be undertaken deliberately and carefully — “step by step,” as one said. Another person suggested an approach to allow additional institutions, beyond the ten who have already received limited autonomy, to earn greater autonomy by successfully pursuing international accreditation. “If there is a university that receives international accreditation, it should then be allowed to become an autonomous institution. Outside experts should come, see, what is happening and say ‘yes,’ this is a good quality education.” Ensuring that there are accountability mechanisms in place and that they operate effectively and efficiently are fundamental structures to support this development.

A second concern is that not all universities have the same capacities to take advantage of newfound autonomy. Some rectors believed that other universities were better suited for autonomy, different revenue opportunities, stronger boards, different programmatic offerings due to their better geographic locations. They expressed anxiety about potential inequities within the system, often with their universities at a disadvantage.

A third expressed concern was that university leaders are finding themselves in the midst of a transition phase where there are expectations of progress but the constraints of the old system have not diminished. They have not moved beyond the old or yet established the new ways of working. For example, university leaders must satisfy the MoES while working with new and untested boards which are still developing their own capacities to govern. At universities with the most autonomy, rectors must work with boards of overseers to set strategy and establish the institution’s budget. Rectors may fire a vice rector who is underperforming, but the MoES still approves the replacement. This practice prevents rectors from building their own senior teams, and in turn limits their ability to lead. As one participant explained, if you can’t pick the person who will replace a vice rector, you tend to leave the mediocre one in place so you don’t end up with someone who is even worse.

While the participants embraced the ideal of autonomy, they pointed to several factors that continue to hinder progress towards this ideal. The primary one is the legal framework. Public universities are not only subject to laws in education but also

laws concerning state property.² This situation has given institutions far less flexibility in shaping their budgets (and therefore their strategies) than institutions in autonomous systems such as the U.S. Most universities also have limited flexibility to develop their budgets. They cannot strategically reallocate funds between budget items. As one rector explained, “Financial possibilities for higher educational institutions are rather limited. There are restrictions connected with the budgetary legislation, the Law “On State Property”, and with the surrounding financial environment in general.” Further, according to these laws, the rector is personally responsible for the university as public property. This arrangement creates a tension (and anxiety) when other bodies, like boards of overseers, suddenly have the power to influence key budgetary decisions, since these bodies are not personally responsible. The legal environment also does little to encourage risk taking and innovation. Fear of failure remains too great and a personal responsibility for failure can suppress initiatives.

² According to the Law “On State Property” HEIs are legally formed as state-owned enterprises with the right of economic management. The rector plays a major role in decision-making, acting on the principle of undivided authority (one-man management). The Law stipulates the individual responsibility of the rector for management and development of the university.

Oversight and developing an alternative system of accountability: The Development of Boards of Overseers

Higher education reform based on increased institutional autonomy requires the development of a new, robust system of accountability. In Kazakhstan, this has entailed moving from the attestation of compliance to the MoES directives through a review of paperwork to the development of a system of accreditation within the Republic. Many institutions have taken the further step of pursuing international accreditation for particular programs or for their institutions.

A second major thrust of this new system of accountability is the establishment of boards of trustees (who play an advisory role) and the creation of boards of overseers who have a say in accountability, in the hiring and firing of the rector and in the approval of the strategic plan and the institutional budget. Boards of overseers are currently established at 33 institutions. The conversation at the roundtable surfaced a number of issues related to these new governance bodies.

Although they are relatively new bodies, some boards of overseers are beginning to grapple with important institutional issues including strategic planning, personnel policies, review of major reports, and approval of schedules of work. One rector explained, “This past year, our board considered issues related to gender equality including the graduation rates of men and women and the ratio of men and women in key roles at the institution including department chairs and vice rectors... The board also approved plans for strategically allocating governmental funds that were provided to the institution.” Such decisions are vital to the long-term health of the institution and represent important and meaningful work.

Despite these encouraging signs, many institutions are still struggling to properly define the working relationship between the senior administrators and the board.

Some participants indicated that many board members still do not quite understand their roles, nor do they understand how a university functions. Efforts to rectify this situation often fall on the rector’s shoulders. As one rector explained, “Some members of the board of overseers do not yet know their functional duties... If members of the board of overseers do not know their duties, it is necessary to explain everything to them so the decisions of the board of overseers will be legitimate. How can they be legitimate when they do not understand the rights of the higher educational institution and do not listen to reports of the rector?” For rectors, who are accountable to the board, this creates further challenges as the rector must educate his or her supervisors who in turn have the ability to reward or fire him or her.

Several participants felt it was important for board members to have opportunities to receive training. “It seems to me that some members of our board do not clearly understand their obligations and responsibilities. That is why it is necessary in the future to train members of the board, perhaps through seminars or trainings provided at Nazarbayev University.” It is important to note, however, that no board members were present at the roundtable to provide their perspectives.

One factor that influences the ability of boards to serve the institution is the composition of the board, including the range of expertise that board members have. The individuals selected to serve on boards of overseers are very important members of Kazakhstani society—members of government, business and industry. They bring a wealth of expertise to the table. However, boards of universities benefit from having certain kinds of expertise as well. One senior administrator explained, “The structural composition of our board of overseers does not correspond to the specific needs of our region or our institution’s mission. Our board includes two bankers and only one person with professional experience in production.” The mismatch of skills and experience was particularly acute for institutions that have a specific mission, such as medical universities and pedagogical universities. It should be noted that this observation is more about the lack or limited range of expertise rather than about the structural composition of the board.

Rectors who have boards that include influential members of the government, the Central Government as well as the local Akims, noted a particular challenge. Having such esteemed and accomplished individuals can be extremely helpful as boards benefit from influential individuals willing to work on the behalf of the university. Yet, such individuals also limit autonomy and independence. Is it better to have autonomy with less access to influencers or better to have influencers that may limit institutional autonomy?

The participants expressed the hope that boards in Kazakhstan will, like their counterparts in other countries, eventually assist in securing external resources for their institutions and promote philanthropic activities. This is not yet happening to any great degree. One rector described the situation this way. “We do have our benefactors--good people who share of their own free will with the university with materials and supply us with equipment. But they are minority. Unfortunately, from the board of overseers we have seen no such support.” There is not yet a tradition of philanthropy in Kazakhstan. As one participant put it, “We do not have a culture of philanthropy or a donation culture. We must create that culture in Kazakhstan society.” It seems rectors expect board members to engage in direct philanthropy, but this is not what they are supposed to do.

A more immediate challenge is the need to clearly define the role of the rector and his or her administrative team, who are responsible for the day-to-day work of the university, and the oversight of the board, which is responsible for paying attention

to the longer-term health of the institution, but they do not manage. This distinction—between management and oversight—is something that not all board members understand (either in Kazakhstan or elsewhere around the world). It is a difficult concept to do well and consistently in practice. One rector said, “The board wants to control the university's activities and in the regulation it is specified that board members do have the right to ask for information directly from the chairs of the departments. This results in all the university reporting to [individual] members of the board of overseers.” The participants agreed that board members should have access to information about the institution and they should not be cut off from discussions with faculty and staff. However, boards need to be careful to work with and through the rector as much as possible. Otherwise they risk undermining him or her. One participant talked about the challenge of having the regional Akim sit on the board: “The Akim decides everything. Supervision has been replaced with the actual management of the university.” The responsibility to govern needs to be spread across the whole board, not be the responsibility or work of a single individual, regardless of how powerful. Micro-managing by boards causes significant problems and can lead to serious long-term damage to the institution and ineffective rectors. It produces confusion among people in the organization about who they should be paying attention to. It can erode institutional confidence in the rector if the board is constantly second guessing his or her decisions. It can lead highly qualified people to not seek the rectorship; and it can create too many whims constantly pulling the university in the direction of individual priorities or pet projects and away from a cohesive university strategy.

Recommendations

The discussions at the conference surfaced a number of important recommendations as reforms continue to move forward. The participants noted that Kazakhstan higher education has undertaken significant changes over the past decade. While the country has learned of best practices from other countries—such as implementing governing boards—it has also tried to adopt these policies to suit the Kazakhstani context. As one participant put it, “We shouldn’t just import U.S. model, but we can learn from them.” A great deal has been accomplished. However, there are still important questions that must continue to be grappled with: How do we ensure that all of the constituent groups (the senior administration, the faculty, the board) clearly understand their roles and develop the capacity to work well together?

- ❖ How do we develop boards whose composition and expertise will serve the institution well and who are able to secure resources for the institution?
- ❖ How do we create autonomous institutions where leadership occurs at all levels, not just at the top?

These are questions that many countries are grappling with. No country has a perfect system of academic governance. Getting governance right is not the answer, or should it be the goal. But developing continually effective governance is, one that is consistently responsive to shifting needs, demands and expectations. Different governance systems and approaches have trade-offs. The experience of academic governance reflects the same truth that U.K. prime minister Winston Churchill once pointed to when he was asked about democracy. He replied: “It is the worst form of government, except for all others”. Finding ways to govern collaboratively and effectively is difficult work. Kazakhstan is working through these challenges alongside many other countries and in this regard, Kazakhstan’s experience has the potential of informing other countries as well.

In fact, the conference ended with a discussion about key recommendations for the future.

- ❖ It would be helpful to increase interaction between the MoES, Association of HEIs of Kazakhstan and the Rectors’ Council with the aim to provide ongoing recommendations and feedback to the Government and Parliament on the evolving legal framework for autonomy and the constraints of other legal frameworks, such as the Law “On State Property”. Rectors understand well how policies will impact their institutions on the ground and institutions operate in quite different contexts. A collective voice is also more powerful in its suggestions to change.
- ❖ It will be important to clarify the roles of the key constituents in academic governance including the role of the board, the rector, and the faculty and Academic Councils so that each understands its primary tasks at the

institution. It will also be important to more clearly define the role of the chair of the board and the role that the rector should play as a board member. Some participants felt there is a tension between these two roles.

- ❖ The current legislation should be amended so that it is clear that the work of the board is oversight with attention to longer-term strategic issues appropriate to the institution's mission. Boards should not just focus on fundraising. They have a larger role. However, boards should not try to be involved in the day-to-day work of the university. This is the task of university administrators and faculty, and getting involved in these matters can cause significant problems.
- ❖ Trainings should be offered to board members and to chairs of boards and rectors on an ongoing basis to help them learn how to work closely together. It is especially important for boards to learn how to socialize new board members—to help them understand how the university operates, what unique challenges the university faces, and to understand the role of the board in its governance. Boards also need to learn how to engage in self-assessment. The ability to periodically review its own work is the hallmark of excellent boards.
- ❖ In many other countries, there is an administrator at each university whose primary job is to support the work of the board. In the U.S., these individuals are called Secretaries to the Board or Board Professionals. They collaborate with the rector and the board chair in shaping the agenda of board meetings, ensure board members have the information they need prior to meetings, and record all major decisions of the boards. It would be helpful to learn how various boards are using staff to support their work.
- ❖ The MoES should revisit the criteria for board selection for public universities to ensure that institutions are getting board members who have a range of expertise, who understand the needs of the region, and who have knowledge of particular areas of importance to the institutions.
- ❖ Institutions need to continue to work out how they can make a smooth transition from their current status to an autonomous status. What shifts in institutional policy or practices are necessary? What changes are needed to create a culture of autonomy where everyone considers him or herself as a leader? What new mindsets and ways of understanding and acting will today's leaders need to adopt?
- ❖ Participants pointed out that the relationship between the MoES, higher education institutions, and the NUGSE and Penn GSE research team has been very helpful and encouraged this collaboration to continue.
- ❖ The final draft of the roundtable whitepaper should be presented at the national rectors' council and discussed.

While some of these recommendations may fall to the MoES to address, it is also the case that many of these questions could be answered by having the rectors come together and share emerging best practices. Many of these key questions are ones

that no legislation can produce. It will require expert practitioners coming together to frame and solve them. This reality underscores the importance of trainings and convenings. It also underscores how important it is for rectors to continue to meet and for other interinstitutional groups to begin to form to support these vital reform efforts.

White Paper Review

Alima Ibrasheva, Candidate of Philological Sciences, Associate Professor, Expert in Education

The present white paper addresses the main outcomes from the conference on the implementation of autonomy and on the summing up of the interim results. The topic is very important in the conditions of increased autonomy in universities, in particular, when supervisory boards are being introduced, in order to obtain information from university managers.

As stated in the white paper, this conference chose an innovative format for receiving feedback from the university leaders. Therefore, the sessions of the event were built as an exchange of experience and a lively discussion of the issues raised.

Opinions of the participants on autonomy demonstrate the need for a large number of actions in different areas. It is encouraging that university leaders recognize the importance of updating their competencies and mastering their skills in the light of new tasks and the importance of a different degree of responsibility when working in new realities.

I believe that granting autonomy by means of the international accreditation, proposed by the conference participants, is fundamentally wrong. This approach appears to be centralized; it seems to be a top down decision. It is more logical to assume that the expansion of autonomy for a group of HEIs will occur due to their own willingness to be independent by reaching, let's suppose, the target indicators identified on the basis of an agreement with the MoES.

The idea of implementing autonomy in those universities which are "*better suited for autonomy*" (*quotation from the white paper*) is not quite clear. According to speakers, there are universities that financially, geographically and from the point of view of other aspects do not "suit" for this status. What lies behind this statement, as one might guess, is the fear of receiving autonomy and, as a result, losing public funding. Therefore, the goal of Nazarbayev University project team should further be aimed at explaining the fallaciousness of this message. Autonomous universities in the US and other countries receive resources from the state in a large amount (up to 70% of the total budget), but on the basis of performance and post-audit.

Lack of information on the work of the boards of overseers also determines the opinion prevailing among university leaders that members of the boards of overseers are to attract donations to the university. This is only one of many functions of the board, but not the main one. The main purpose is public oversight over the activities of the university leadership, expressing their own, albeit an alternative point of view.

Perhaps, this mission of the boards of overseers tends to provoke the above statements, misunderstanding the need for *“reporting to [individual] members of the board of overseers”*.

Indeed, the boards of overseers have the right to request information about the work of the university to do their job and this is a prerequisite for the high-quality work of boards. Employees and faculty of HEIs should learn to be accountable to the board of overseers. And these realities of the new governance should be clarified in the course of training to both members of the board and rectors.

Qualification of the members of the board of overseers can hardly be assessed as low, as pointed out by the conference participants, since the board members are to have at least 10 years of experience in education or at least 5 years of experience of working as a supervisor³. Therefore, the question arises as to why the members of the boards are not knowledgeable, as stated by the conference participants.

I would like to add that having only influential people among board members – governmental officials, akim representatives – is temporary. As the popularity of the boards increases and their role in the life of the university becomes recognized, a growing number of citizens, representing the local community, will take part in the competition for the position of the board member. The university can contribute to this in the region by providing more information about the effectiveness of the board work.

As for their possible unpreparedness to work as members of the board, then the university should conduct orientation for new members. It is considered to be the best practice that is successfully employed even in developed systems of state-public management.

Professional development (training) for board members should be carried out regularly on the basis of an internal procedure. Then the rectors will not view this process as their own additional duty.

In Kazakhstan it is necessary to prepare practical guidelines for members of the boards, to ponder over measures enabling to "professionalize" (build capacity of) the boards, as according to the world best practice.

As participants noted, there is a contradiction between the legislatively fixed responsibility of the rector for the activities of the university and the planned expansion of the powers of the board of overseers. It must be addressed by sending proposals of amendments to the current legislation.

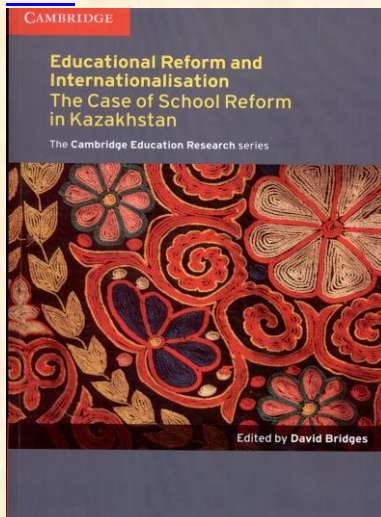
³ The Order of the Minister of National Economy of the Republic of Kazakhstan #113 dated from February 20, 2015 About approving Rules on creating boards of overseers in RSEs, requirements to candidates, as well as Rules on selecting board members and early termination of their powers

I believe that the recommendations presented are appropriate and aimed at resolving the issues that the university leaders faced at the first stage of implementing shared governance.

NUGSE Selected Recent Publications

- ❖ Hartley, M., Gopaul, B., Sagintayeva, A., & Apergenova, R. (2015). Learning autonomy: higher education reform in Kazakhstan. *Higher Education*, 1-13, DOI: 10.1007/s10734-015-9953-z
- ❖ Sagintayeva A. & Kurakbayev K. (2015). Understanding the transition of public universities to institutional autonomy in Kazakhstan. *European Journal of Higher Education*, 5:2, 197-210, DOI: 10.1080/21568235.2014.967794

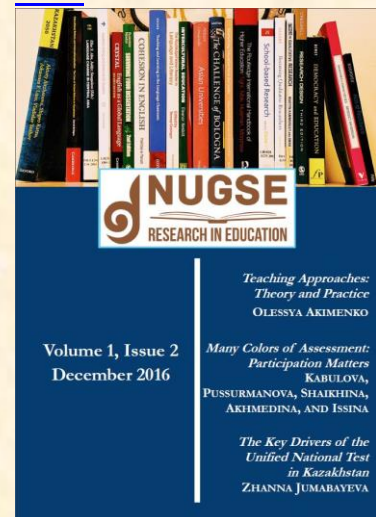
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Forthcoming publications

- ❖ Book on Kazakhstani higher education reform & development published by Cambridge University Press
- ❖ Monograph on autonomy in higher education in Kazakhstan



Authors:

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